

**THE COMBINED CALIFORNIA PUC TELEPHONE SURCHARGE
INSTRUCTIONS FOR FILING**
(Rev. December 2008)

Overview

All telecommunications carriers (carriers) authorized by the California Public Utilities Commission (CPUC or Commission) to operate in California are required to assess surcharges on their end-user Intrastate billings and to remit the monies so collected in accordance with the directions of the Commission:

What is meant by Intrastate Billings?

“Intrastate” means a telecommunications service that originates and terminates within California. Generally, services subject to tariff (or formerly tariffed) with the CPUC are subject to California surcharges, whereas Interstate services, taxes and surcharges, and financial charges and fees, are not.

Intrastate services that are subject to surcharges include, but are not limited to, residential or business line and any associated services, including:

- Call custom calling features,
 - Such as Caller ID, Voice Store and Forward, Call waiting
- Voicemail,
- 2-way messaging,
- Private line service,
- 800/900 service, and
- Non-recurring charges
 - Such as installation and connection charges

What Surcharges Need To Be Assessed?

1. California High Cost Fund A (CHCF-A)
2. California High Cost Fund B (CHCF-B)
3. California Lifeline (LifeLine)- (Formerly known as Universal Lifeline Telephone Service or ULTS)
4. California Teleconnect Fund (CTF)
5. Deaf & Disabled Telecommunication Program (DDTP)
6. California Advance Service Funds (CASF)

Are there surcharge reporting exceptions for certificated carriers?

Carriers must assess the surcharges on all of their billings for intrastate telecommunications services except for the following:

1. California LifeLine billings;
2. Charges to other certificated carriers for services that are to be resold;
3. Coin sent paid telephone calls (coin in box) and debit card calls;
4. Customer-specific contracts effective before 9/15/94;
5. Usage charges for coin-operated pay telephones;
6. Directory advertising; and
7. One-way radio paging.

What Are The Surcharge Rates?

Current and historical surcharge rates can be found at:

<http://www.cpuc.ca.gov/PUC/telco/Information+for+providing+service/>

Are VoIP Carriers Required to Submit Surcharges?

VoIP service providers, whether fixed or nomadic, are not required (at this time) to assess surcharges and remit them to the CPUC. However, if a VoIP provider is collecting California-specific surcharges from customers, it must remit 100% of those surcharges directly to the CPUC. For those providers, a unique CPUC ID number will be assigned to facilitate accurate processing and financial tracking purposes, if they do not already have one pursuant to a valid CPCN or registration with the CPUC.

What is the Process for Reporting and Remitting the Surcharges?

Carriers shall report surcharges using the Combined California PUC Telephone Surcharge Transmittal Form (Transmittal Form).

All certificated carriers must report and remit surcharges on a monthly basis, except for those that bill a *de minimis* amount of surcharges (the *de minimis* rule). The *de minimis* rule permits a carrier to report and remit all surcharges semi-annually on a cumulative basis covering a six-month period from January through June and from July through December. The *de minimis* rule applies to carriers whose average intrastate billings subject to surcharge are equal to or less than \$10,000 a month. Carriers that meet this criteria and wish to report and remit surcharges semi-annually may send an e-mail to telcofiling@cpuc.ca.gov including: the carrier's legal name, the 4-digit utility identification number assigned by the Commission, and a statement to the fact that the average intrastate billings subject to surcharge are equal to or less than \$10,000 per month. Qualified carriers can change to *de minimis* after reporting for the month of June or December. The *de minimis* period would start with January-June or July-December.

If not impacted by the *de minimis* rule, carriers are required to report even if total intrastate billings subject to surcharge are zero.

In the event that the total intrastate billings subject to surcharge exceed \$60,000 for carriers reporting under the *de minimis* rule, carriers must advise the CPUC and file monthly. It is up to the carrier to be aware that their reporting has changed from semi-annually to monthly.

Carriers shall report all surcharges to the Commission. The total intrastate billings subject to surcharge, i.e. line 1 in the Transmittal Form, must be filled in. For each of the telecommunications programs, i.e. line 2, line 3, and so on, the Surcharge Amount Due should include surcharges billed for the reporting period less estimated uncollectibles. If the surcharge amount due is less than one dollar (\$1), enter zero (\$0). Any adjustments that are not reflected in the billings should be distinctively identified in the Adjustments.

These adjustments may include, but are not limited to, prior period adjustments, accounting adjustments, etc.

INSTRUCTIONS FOR FILING THE COMBINED CALIFORNIA PUC TELEPHONE SURCHARGE TRANSMITTAL FORM

A signed copy of the Transmittal Form and surcharge monies must be remitted, i.e. postmarked or electronically posted for automated clearinghouse (ACH) funds, no later than the 10th day of the second month, i.e. approximately 40 days, following the close of the reporting period. Carriers that file the Transmittal Form and/or remit the surcharge monies after the due date must include a penalty equal to an annual rate of 10%. The penalty is to be assessed on the surcharge amount due, including any adjustments, starting from the 41st day after the close of the reporting period to the date that the Transmittal Form is filed or surcharge monies are remitted, whichever is later.

Remittances may be made by check. If remittance is by check, the checks should be made payable and addressed to the appropriate program or fund as noted on Transmittal Form. Electronic remittance of all five surcharges by ACH is available. Prior approval for each CPCN is necessary. For more information on the availability of ACH, and to obtain approval to remit utilizing ACH, please contact the Commission via e-mail at telcofiling@cpuc.ca.gov

Verification and Revocation of Certificate of Public Convenience and Necessity

All reported Transmittal Forms are subject to audit verification by the Commission or Commission designee(s). As such, carriers are expected to maintain data for at least five (5) calendar years, unless specifically authorize otherwise by a CPUC order or a director's letter. Carriers should remit surcharges for each of the public programs identified in the Surcharge Table below. Carriers that are 90 days or more in arrears on reporting and remitting surcharges may be subject to revocation of their authority to operate in California.